

Anger in Romania over Nokia closure plans

CLUJ: Romanian authorities and employees of mobile phone giant Nokia were in shock on Thursday (29 September 2011) after the Finnish firm said it would close its unit in a severe blow for the economy.



"We are very angry, we did not expect this," I.M., 35, one of the plant's 1,900 employees, told AFP, declining to give his full name.

"The trade unions accepted the decision without flinching, they did not even try to negotiate," he added.

Nokia said on Thursday it was slashing 3,500 jobs in Romania, Germany and the United States, in addition to the 4,000 job cuts and 3,000 outsourced jobs the company announced in April as part of a massive restructuring effort.

The plant in Jucu, in north-western Romania, will remain open until the end of the year. Employees will be paid until the end of March, while a compensation package will be announced later on, Nokia said in a press release.

Nokia had opened its manufacturing site here in 2008, after relocating its German factory of Bochum, a move that drew vivid criticism.

Since its arrival, Nokia has invested some 60 million euros (\$81 million) in Romania.

In 2010 its turnover stood at 1.6 billion euros, which is more than one percent of Romania's gross domestic product.

Nokia is the second biggest local exporter after French car maker Dacia-Renault, with sales topping 2 billion euros in 2010, according to the chairman of the exporters' association Mihai Ionescu.

"Some 9,450 exporters have closed down over the last three years but Nokia's departure will have a major negative impact on the economy," he told AFP.

The mayor of Jucu, Dorel Pojar, said Nokia's closure would deprive the village of revenues worth up to two million euros per year in taxes, while local councillors called on the phone maker to pay back the 15 million euros invested by authorities in infrastructure.

"When they closed the Bochum plant, the German state asked them to reimburse the state aid they had received," one councillor, Dan Canta, was quoted as saying by the website of Zua de Cluj daily.

Source: AFP

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